

Jefferson, Patricia B.

From: Burnett, William <William.Burnett@flastergreenberg.com>
Sent: Wednesday, September 22, 2021 1:01 PM
To: Jefferson, Patricia B.; Giacometti, Harry
Cc: Jen Maleski; Perrell, Joel L.
Subject: [EXTERNAL] RE: Casey Parzych/ MMD

EXTERNAL

Patti,

Respectfully, I have spoken to my client regarding the issues raised below and they are generally either false rumors or inapplicable/have no impact on your client's commitment to purchase. We are ready willing and able to close under the terms of the APA. These comments frankly seem more like Millstone is trying to breach its obligations under the 'as is where is' sale.

1. Casey informs me that this is not true, but Casey has told them that there will be new owners.
2. Casey acknowledges that he said this, but it is indeed also a factually true statement.
3. Casey acknowledges that during the sales process Ian was trying to send out some data without verifying it accuracy with Kelly and Casey. My client has informed me that all relevant and requested information was provided in the data room.
4. RF denies saying what is stated here. In any event, I am not sure why its relevant to the sale under the terms of the APA.
5. My client has informed me that there are 2 distribution contracts in the data room—one for Tri-Valley and one for TJ Sheehan. These are the only ones MMD has contracts with. MMD informs me that just because they sell in other states does not mean there are distribution agreements.
6. As indicated before, this Que Onda canning work was being done on the equipment leased from ETOH and AgTech. These leases were rejected in the sale order. There is no other equipment to fulfill their order. That is why MMD can't fill those orders. Furthermore, a week prior to sale hearing, I had relayed that this canning work was not profitable for MMD, could cause administrative insolvency and need to be paired back. At that time you said that your client didn't object.

From: Jefferson, Patricia B. <pjefferson@milesstockbridge.com>
Sent: Tuesday, September 21, 2021 3:23 PM
To: Burnett, William <William.Burnett@flastergreenberg.com>; Giacometti, Harry <Harry.Giacometti@flastergreenberg.com>
Cc: Jen Maleski <jmaleski@dilworthlaw.com>; Perrell, Joel L. <jperrell@MilesStockbridge.com>
Subject: Casey Parzych/ MMD

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Bill and Harry,

Over the past 24 hours, a number of truly concerning items have come to light:

1. Casey has apparently been telling employees they work for him until September 30, and they should start looking for other employment after that.
2. Casey has told employees that Millstone is only buying the business "if they can come up with the money."
3. Casey told his sales manager, Ian Kobos, not to send any information to us related to five google sheets, "commission tracker," "master historical sales," "revenue tracker," "sani sourced product cost," and "product cost master sheet." When we requested this info in connection with due diligence we were told it did not exist. To be clear, we did not ask Ian for that info- he volunteered that he had all of the company's important info in google sheets and was directed not to share it with Millstone.
4. When we sent someone to Pittsburgh to see MMD's undisclosed sprinter van, an individual named RF Culbertson (who is listed as sales and marketing at Good Design Inc and an advisor to Theobald & Oppenheimer on linkedin) told Millstone's employee that "Rob Cassell is the reason MMD failed, and Casey thinks he was meddling around behind the scenes."
5. MMD has distribution agreements in Tennessee, NY, MD, NJ and MA that were not disclosed, despite my several requests for any additional contracts MMD was a party to.
6. I received a phone call yesterday from Que Onda's counsel (one of MMD's copackaging contract counter parties) that they had been led to believe MMD could no longer fulfill their orders.

In addition, last year Casey gave Ian Kobos (sales manager) 75 units in "Theobald & Oppenheimer" in lieu of a bonus. I don't believe that has been disclosed anywhere to the court.

I don't know what games Casey is trying to play here, but attempting to sabotage the ongoing business operations is a clear violation of the APA, and smearing Rob and Millstone's reputation and financial wherewithall is inexcusable. You and I both know that Millstone played no role in MMD filing bankruptcy. This behavior needs to stop immediately and we need full transparency about existing contracts and other vehicles so that I can make any necessary edits to the schedules before closing.

Patti

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